

April 11, 2005

The Honorable Elia Germani, Chairman
Rhode Island Public Utilities Commission
89 Jefferson Boulevard
Warwick, RI 02888

RE: Pawtucket Water Supply Board, General Rate Filing, April 2005

Dear Chairman Germani:

On behalf of the Pawtucket Water Supply Board, enclosed you will find revised rate schedules that the Pawtucket Water Supply Board proposes to place in effect in thirty (30) days. The new rates are designed to collect total revenues in a twelve-month period equal to \$19,972,083. The Pawtucket Water Supply Board's filing in support of the revised rates includes pre-filed testimony from five witnesses, as well as supporting Schedules and Exhibits. Additionally, we have included all applicable information required by the Rhode Island Public Utilities Commission Rules of Practice and Procedure, and statements conforming to the mandates of R.I.G.L. §39-3-12.1. Additionally, the Pawtucket Water Supply Board, pursuant to R.I.G.L. §39-3-12.1, is providing all documents to the following communities:

- (1) The City of Central Falls;
- (2) The Town of Cumberland.

We have also included a copy of our proposed notice to be published in the Providence Journal. We would respectfully ask that your staff immediately review the proposed notice so that it might be published within the ten (10) day period prescribed by law.

The following individuals should receive all correspondence for any additional information to be provided by the Public Utilities Commission: Pamela M. Marchand, P.E., Chief Engineer, Pawtucket Water Supply Board, 85 Branch Street, Pawtucket, Rhode Island 02860 and Joseph A. Keough, Jr., Esquire, Keough & Sweeney, Ltd., 100 Armistice Boulevard, Pawtucket, Rhode Island 02860.

Honorable Elia Germani, Chairman

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Joseph A. Keough, Jr. will act as legal counsel for the Pawtucket Water Supply Board and will represent the Board in all rate filing matters concerning these documents.

Thank you for your attention to these matters.

Sincerely,

Joseph A. Keough, Jr.
Legal Counsel
Pawtucket Water Supply Board

**STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
PUBLIC UTILITIES COMMISSION**

**IN RE: PAWTUCKET WATER SUPPLY BOARD
APPLICATION TO CHANGE RATE SCHEDULES**

DOCKET NO.

**NOTICE TO CUSTOMERS OF THE PAWTUCKET WATER SUPPLY BOARD OF FILING
AND CHANGE IN RATE SCHEDULES**

On April 11, 2005, pursuant to the Rhode Island General Law § 39-3-11 and Part II of the Rhode Island Public Utilities Commission's ("Commission") Rules of Practice and Procedure, the Pawtucket Water Supply Board ("PWSB") hereby gives notice that it has filed with the Commission an application to increase its rates.

The proposed rates are designed to collect additional operating revenue in the amount of \$3,540,101 to support total operating revenue requirements of \$19,972,083. The impact of this request will result in a 22% increase in revenues. For a typical residential customer, the impact of this request will result in an increase of \$17.40 per year or 20.37%. The PWSB also proposed an alternate rate design that will include a surcharge to Cumberland ratepayers. If the surcharge is approved, the impact of the alternate rate design will result in non-Cumberland ratepayers receiving an increase of 16.7%, and Cumberland ratepayers receiving an increase of approximately 37.3%. Please note that while the PWSB is requesting this revenue increase, the Commission, after full investigation and hearings, may order a different revenue requirement and rate.

While the new rates are proposed to become effective May 11, 2005, the Commission can suspend the rates up to six months from the proposed effective date. No rate change will take effect until the Commission has conducted a full investigation and hearing on the proposal. The Commission will publish a notice of the hearing dates when they are scheduled. Ratepayers may comment on the proposed rate increases at that time.

A copy of the application is on file for examination at the PWSB's office and at the offices of the Public Utilities Commission, 89 Jefferson Boulevard, Warwick, Rhode Island. A copy of the filing was also provided to the Cities of Pawtucket and Central Falls, Rhode Island and the Town of Cumberland, Rhode Island. A copy was also provided to the Rhode Island Attorney General's Department, Consumer Division. Subscriber billing statements will contain notice of this filing. Some larger subscribers will receive notice in their monthly billing and others in their regular billing.

Pawtucket Water Supply Board
85 Branch Street, Pawtucket, RI 02860
<http://www.pwsb.org>

April 11, 2005

The City Council
City of Central Falls
c/o City Clerk
580 Broad Street
Central Falls, RI 02863

RE: Proposed Rate Increase/Pawtucket Water Supply Board

Honorable Council Members:

Please be advised that the Pawtucket Water Supply Board will be filing for rate changes with the Rhode Island Public Utilities Commission on April 11, 2001. Enclosed you will find a copy of the documents being filed.

Additionally, in conformance with RIGL §39-3-12.1, enclosed with the filing you will find copies of the Pawtucket Water Supply Board's compliance with the particulars of that provision.

Thank you for your attention to this these matters.

Sincerely,

Joseph A. Keough, Jr.
JAK:jak
Enclosure

April 11, 2005

The Town Council
Town of Cumberland
c/o City Clerk
45 Broad Street
Cumberland, RI 02864

RE: Proposed Rate Increase/Pawtucket Water Supply Board

Honorable Council Members:

Please be advised that the Pawtucket Water Supply Board will be filing for rate changes with the Rhode Island Public Utilities Commission on April 11, 2001. Enclosed you will find a copy of the documents being filed.

Additionally, in conformance with RIGL §39-3-12.1, enclosed with the filing you will find copies of the Pawtucket Water Supply Board's compliance with the particulars of that provision.

Thank you for your attention to this these matters.

Sincerely,

Joseph A. Keough, Jr.
JAK:jak
Enclosure

**STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
PUBLIC UTILITIES COMMISSION**

IN RE: PAWTUCKET WATER SUPPLY BOARD

DOCKET NO:

**INDEX AND RESPONSES IN COMPLIANCE WITH THE
RHODE ISLAND PUBLIC UTILITIES COMMISSION=S RULES OF
PRACTICE AND PROCEDURE, PART II,
SECTIONS 2.4 THROUGH 2.10**

Index and Responses in Compliance with Part II, Section 2.4

Item 2.4 Notice of Filing (to be published in Providence Journal).

Response: Please see Table of Contents, item 3.

Notice of Proposed General Rate Schedule to Customers.

Response: Please see Table of Contents, item 4.

Index and responses in Compliance with Part II, Section 2.5

Item 2.5(a) Current and Proposed Tariffs, Rate Schedules, Terms and Conditions.

Response: Please see testimony of Chris Woodcock and attached schedules.

Item 2.5(b) Complete Direct Case.

Response: Please see Table of Contents, Items 1 through 11.

Item 2.5(c)(1) Annual Report to the Commission for Last Two Years.

Response: On file with Commission.

Item 2.5(c)(2) Federal Energy Regulation Commission or Federal Communication Commission Annual Reports.

Response: Not applicable.

Item 2.5(c)(3) Federal Energy Regulatory/Communications Commission Audit Reports.

Response: Not applicable.

Item 2.5(c)(4) Security and Exchange Commission Report.

Response: Not applicable.

Item 2.5(c)(5) Prospectus for Last Two Years.

Response: Not applicable.

Item 2.5(c)(6) Annual Reports to Stockholders.

Response: Not applicable.

Item 2.5(c)(7) Statements Reconciling Differences in Filing and Above Reports.

Response: Not applicable.

Index and responses in Compliance with Part II, Section 2.6

Item 2.6(a) Test Year (July 1, 2003 to June 30, 2004).

Response: Please see testimony of D.Beyn and supporting schedules.

Item 2.6(b) Rate Year (January 1, 2006 to December 31, 2006).

Response: Please see testimony of C.Woodcock and supporting schedules.

Item 2.6(c) Adjustments to the Test Year.

Response: Please see testimony of C.Woodcock, D. Beyn, P. Marchand and R.Benson and supporting schedules.

Index and responses in Compliance with Part II, Section 2.7

Item 2.7 Attestation of Financial Data.

Response: Please see testimony of D.Beyn and supporting schedules.

Index and responses in Compliance with Part II, Section 2.8

Items 2.8 (a) through (w) Supporting Information and Work Papers to be Filed by Investor Owned Utilities.

Response: Not applicable.

Index and responses in Compliance with Part II, Section 2.9

Item 2.9(a) Cost of Service Schedules.

Response: Please see testimony of C.Woodcock and supporting schedules.

Item 2.9(b) Work Papers Supporting Claim for Working Capital.

Response: Not applicable.

Item 2.9(c) Work Papers Supporting Allocation of Cost of Service among Associated Entities.

Response: Not applicable

Item 2.9(d) Response:	Work Papers Detailing Test Year and Rate Year Revenues, etc. Please see testimony of C.Woodcock and D.Bebyn and supporting schedules.
Item 2.9(e) Response:	Effect of Proposed Rate Changes. Please see testimony of C.Woodcock and supporting schedules. See Appendix for sample bill.
Item 2.9(f) Response:	Debt Service Schedules. Please see Appendix.
Item 2.9(g) Response:	Schedule of Lease Payments. Please see Appendix.
Item 2.9(h) Response:	Analysis of Revenues and Associated Expenses for Test Year. Please see testimony of C.Woodcock and D.Bebyn and supporting schedules.
Item 2.9(i) Response:	Rate Year Municipal Tax Expense Calculation. Please see testimony of C.Woodcock and supporting schedules.
Item 2.9(j) Response:	Employee Information. Please see Appendix.
Item 2.9(k) Response:	Summary of Affiliated Entities Transaction. Please see Appendix.
Item 2.9(l) Response:	Financial Data for Non-Coinciding Test Year. Not applicable.
Item 2.9(m) Response:	Summary of Expenses Incurred and Projected Related to Instant Rate Case. Please see testimony of C.Woodcock and D.Bebyn and supporting schedules.
Item 2.9(n)(1) Response:	Unaccounted for Water. Please see Appendix.
Item 2.9(n)(2) Response:	Loss on Transmission of Electricity, or Gas. Not applicable.
Item 2.9(n)(3) Response:	Utilities Own Use of Water. Please see Appendix.

Item 2.9(o)

Compliance with Prior Commission Order (Docket 3497).

1. Order:

Full Cost of Service Study and rate design recommendation taking into account differences between PWSB retail customers and Central Falls retail customers, including any avoided maintenance costs or any additional maintenance costs that may be required after a purchase of the system.

Response:

Please see testimony of C.Woodcock and supporting schedules.

2. Order:

PWSB shall evaluate and provide engineering reports and costs for separating the (Central Falls) system if a purchase price is not agreed to and approved prior to its next full rate case.

Response:

Please see Appendix.